

Fund Manager Speak

Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) invests in securities in the same proportion as the MOST 50 Basket. MOST 50 Basket is a fundamentally weighted basket based on S&P CNX Nifty Index (Nifty50), which invests in all 50 constituents of Nifty50. It attempts to deliver superior investment performance by trying to allocate more capital to companies which are expected to deliver relatively stronger returns and less capital to companies which are expected to deliver relatively poorer returns.

The units of MOST Shares M50 were allotted on 28th July 2010. Between 28th July to 31st August 2010, markets have been range bound and Nifty50 has increased by 0.09% from 5,398 to 5402. However, companies have shown varied performance with Tata Motors, Bharat Petroleum Corporation and State Bank of India delivering returns of 20%, 18% and 12% respectively while Suzlon Energy, Reliance Communication and Sterlite Industries have delivered returns of -21%, -16% and -14% respectively. In this period, MOST 50 Basket has increased 1.48% from 7,803 to 7,919 and the NAV of MOST Shares M50, after deducting expenses, has increased by 1.17%.

MOST 50 Basket has been able to deliver this performance by being overweight in the best performing stocks of Nifty50 while being underweight in the worst performing stocks of Nifty50. MOST 50 Basket is overweight in 20 companies, where the allocation is 73.10% against the allocation of 25.20% by Nifty50 which has contributed to an out-performance of 0.78%. MOST 50 Basket is underweight on 26 companies, where the allocation is only 24.50% against an allocation of 72.40% by Nifty50. This underweight allocation has helped MOST 50 Basket deliver an additional out-performance of 0.62% against the Nifty50 index.

The overweight positions in Autos (Tata Motors), Metals (Hindalco), & Oil Marketing Companies (Bharat Petroleum) and underweight positions in Software (Infosys) and Oil (Reliance) has helped the performance of MOST 50 Basket. However, its performance has been impacted by its overweight positions in Financial Services (IDFC, Reliance Capital) & Capital Goods (BHEL) along with its underweight positions in Consumer Non-durables (ITC).

Over the next one month, the markets are expected to remain range bound because of volatile global liquidity situations and concerns on near term earnings growth and earnings quality in the domestic markets.

India Index Services & Products Ltd. has published that the Nifty50 constituents will be changed on 1st October 2010 with ABB, Idea Cellular and Unitech being replaced by Bajaj Auto, Dr Reddy's Laboratories and Sesa Goa. The MOST 50 Basket will also be rebalanced on 1st October 2010 with capital allocation to all constituents being reviewed and based on that the capital allocation in MOST Shares M50 will also be changed.

Performance

	Benchmark		Scheme
	MOST 50 Basket	NIFTY*	M50^
Since Inception	1.48%	0.09%	1.17%

(as on 31st August 2010) Note: Returns shown above are absolute returns. **Past performance may or may not be sustained in future.** *S&P CNX Nifty Index
^MOST Shares M50

Fund Manager

Fund Manager	Mr. Rajnish Kumar Rastogi
Experience	He has 14 years of experience in the Financial Services Industry. He has been managing this fund since inception.

About the Scheme

Scheme Name	Motilal Oswal MOST Shares M50 ETF (MOST Shares M50)
Type of Scheme	An open ended Exchange Traded Fund
Investment Objective	The Scheme seeks investment return that corresponds (before fees and expenses) generally to the Performance of the MOST 50 Basket (Underlying Basket), subject to tracking error. However, there can be no assurance or guarantee that the investment objective of the Scheme would be achieved.
Benchmark	MOST 50 Basket and S&P CNX Nifty Index
Continuous Offer	On NSE: Investors can buy/sell units of the Scheme in round lot of 1 unit and in multiples thereof. Directly with the Mutual Fund: Investors can buy/sell units of the Scheme only in creation unit size i.e. 50000 units and in multiples thereof.

Scheme Details

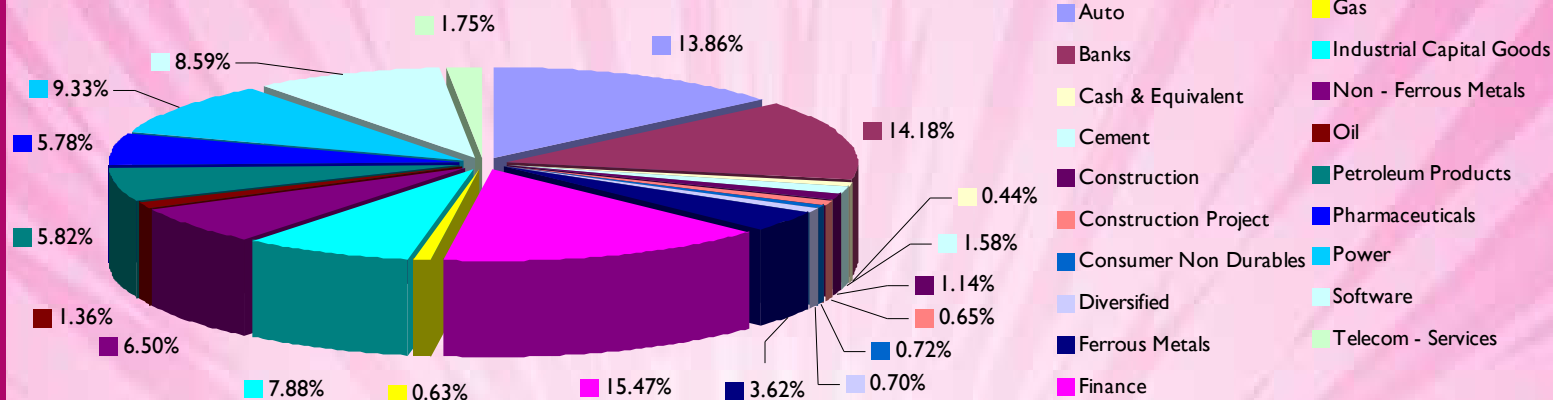
Date of Allotment	July 28, 2010
NAV	₹ 78.95
AUM	292.48 (₹crores)
Tracking Error*	0.20% (Annualised)
Total Expense Ratio^	1.00% p.a.

* Against the benchmark MOST 50 Basket ^ Year-to-date (Data as on 31st August 2010)

NSE Symbol	M50	ISIN Code	INF247L01015
Bloomberg Code	MOST M50	Entry Load	N. A.
Reuters Code	MOST.NS	Exit Load	NIL

Industry Allocation

(as on 31st August 2010)



Portfolio Holdings

(as on 31st August 2010)

Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50	Equity	Weightage in M50	Weightage in Nifty50
IDFC	6.98%	1.30%	ONGC	0.73%	2.88%	ABB	0.55%	0.26%
BHEL	6.42%	2.43%	ITC	0.72%	5.45%	Wipro	0.55%	1.28%
Hindalco Industries	6.09%	1.38%	Hindustan Unilever	0.70%	1.77%	NTPC	0.55%	1.60%
Tata Motors	6.01%	2.06%	Punjab National Bank	0.69%	1.00%	DLF	0.54%	0.70%
Bharat Petroleum Corpn.	5.34%	0.63%	HDFC Bank	0.65%	4.79%	Reliance Infrastructure	0.53%	0.90%
State Bank of India	4.65%	4.55%	HCL Technologies	0.65%	0.58%	Cipla	0.53%	0.98%
Sun Pharmaceuticals Ind.	4.64%	0.85%	Larsen & Toubro	0.65%	6.13%	Maruti Suzuki India	0.53%	1.06%
Reliance Capital	4.53%	0.55%	GAIL (India)	0.63%	1.33%	ACC	0.53%	0.56%
Mahindra & Mahindra	4.20%	1.71%	Cairn India	0.63%	0.91%	Reliance Communications	0.52%	0.66%
Tata Power Co.	4.19%	1.26%	Idea Cellular	0.63%	0.36%	Reliance Industries	0.48%	9.93%
Axis Bank	4.06%	2.16%	Ambuja Cements	0.62%	0.66%	Tata Steel	0.45%	2.03%
HDFC	3.96%	5.16%	Kotak Mahindra Bank	0.62%	0.92%	Jaiprakash Associates	0.43%	0.80%
Tata Consultancy Services	3.75%	2.73%	Ranbaxy Laboratories	0.61%	0.48%	Sterlite Industries (India)	0.41%	1.53%
Infosys Technologies	3.64%	8.35%	Bharti Airtel	0.60%	2.55%	Suzlon Energy	0.36%	0.24%
ICICI Bank	3.51%	6.96%	Unitech	0.60%	0.67%			
Power Grid Corp. of India	3.49%	0.40%	Jindal Steel & Power	0.57%	1.70%	Cash & Cash Equivalents		
Hero Honda Motors	3.12%	1.09%	Reliance Power	0.57%	0.35%	Cash	0.44%	NA
Steel Authority of India	2.60%	0.70%	Siemens	0.55%	0.67%	Grand Total	100.00%	100.00%

Statutory Details: Constitution: Motilal Oswal Mutual Fund has been set up as a trust under the Indian Trust Act, 1882. **Trustee:** Motilal Oswal Trustee Company Ltd. **Investment Manager:** Motilal Oswal Asset Management Company Ltd. **Sponsor:** Motilal Oswal Securities Ltd.

Risk Factors: (1) All Mutual Funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved (2) As the price / value / interest rates of the securities in which the Scheme invests fluctuates, the Net Asset Value (NAV) of units issued under the Scheme may go up or down depending upon the factors and forces affecting the securities market (3) Past performance of the Sponsor/ AMC/ Mutual Fund and its affiliates does not indicate the future performance of the Scheme and may not provide a basis of comparison with other investments (4) Motilal Oswal MOST Shares M50 ETF (MOST Shares M50) is the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. Investors are therefore urged to study the terms of offer carefully and consult their Investment Advisor before they invest in the Scheme (5) The Sponsor is not responsible or liable for any loss or shortfall resulting from the operation of the Mutual Fund beyond the initial contribution made by it of an amount of ₹ 1 Lac towards setting up of the Mutual Fund. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing.

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